HOUSING MARKET ASSESSMENT

St. John's CMA

CANADA MORTGAGE AND HOUSING CORPORATION

Second Quarter 2018

Degree of vulnerability remains low

- Muted economic growth has affected the demand for housing negatively and there is excess inventory throughout the St. John's area housing market. Transactional sales activity is improving, but the sales-to-listings ratio is trending away from the threshold for vulnerable conditions because housing supply and demand have been out of balance since the end of 2012. Furthermore, prices have been pressured downward due to a lack of employment growth since 2014, economic uncertainty, and a shift to lower price multiple segment homes such as row and duplex.[1]
- There is still moderate evidence of overbuilding in the St. John's CMA housing market. The inventory of completed and unsold units relative to the population was 5.6 in the fourth quarter, higher than the threshold of five, but under construction units are low, which alleviates this vulnerability. Economic weakness and higher completions of rental units since 2012 relative to the population, led to a 7.2% vacancy rate, above the threshold of 6.9.

Results Overview
St. John's CMA

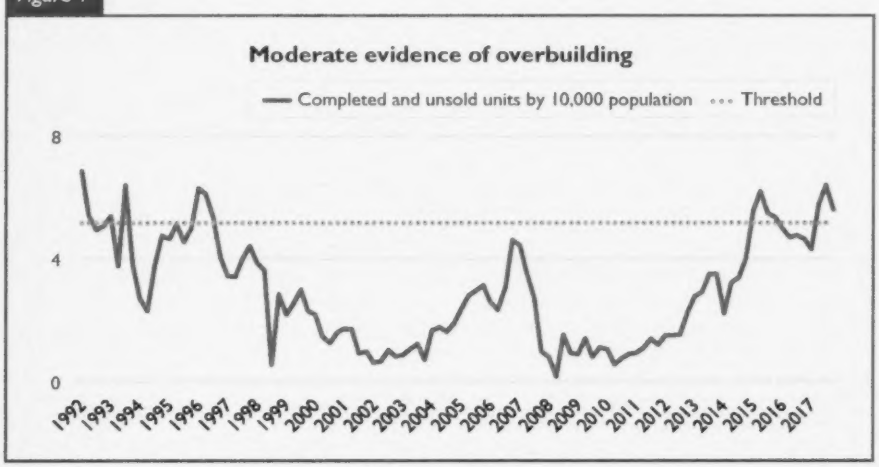
	Jan. 2018	Apr. 2018
Overheating		
Price Acceleration		
Overvaluation		
Overbuilding		
Overall Assessment		

Degree of vulnerability
■ High ■ Moderate ■ Low

Chris Janes
Senior Analyst,
Economics, Atlantic

"The degree of vulnerability remains low in the St. John's CMA housing market. A lack of growth in housing market drivers such as population, income and employment continues to weigh negatively on the overall demand for housing."

Figure 1



Source: Statistics Canada and CMHC. Last data point: 2017 Q4.

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[1] Results are based on data as of the end of December 2017 and local market intelligence up to end of March 2018. CMHC continuously monitors market developments and will issue HMA updates on a quarterly basis. A detailed description of the framework is available in the appendix of the National edition.

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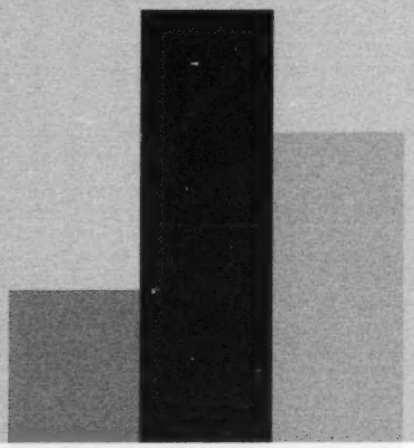

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